

March 9, 2011

CAPITOL UPDATE

State Representative Leon Lillie, District 55A



CONTACT ME:

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Dear Friends,

The legislative session continues to move along as the discussion on Minnesota's budget heats up. Governor Dayton has released his budget and the end-of-February forecast just came out, reducing our projected budget deficit from \$6.2 billion to slightly over \$5 billion. This is mainly due to Governor Dayton's enrollment in early Medical Assistance and President Obama's tax cut compromise.

Governor Dayton's budget creates a new income tax bracket for singles making \$85,000 in taxable income (\$120,000 before deductions and credits) and couples making over \$150,000 (around \$200,000 before deductions and credits). The increase would not apply to all of their income, only the amount over a high threshold based on household size. This would approximately result in an increase of \$100 a year per individual or couple.

Additionally, the governor's proposal contains \$52 million in more funding for education, with \$33 million of that dedicated to funding optional all-day kindergarten. Governor Dayton's budget plan continues reforms in health care and state government as well.

The improved February forecast allowed Governor Dayton to modify his budget proposal, removing some of the proposed cuts to nursing homes, long-term care, MinnesotaCare, mass transit, and community action grants, while eliminating a 3 percent surtax on incomes over \$500,000.

While I am pleased with the governor's increased education funding and that the improved forecast allowed him to remove some of the more painful proposed cuts, I am still concerned about the revenue proposals. I want to ensure that any revenue proposals do not affect people who are actually middle-class Minnesotans.

Now that the February forecast has been released, we're waiting on the other side to produce their budget plan. They had promised throughout their campaigns that they could balance the budget through cuts alone. I'm not making any decisions until I see their full plan, but I think it should set up a strong contrast. I look forward to having an engaging discussion on the future direction of our state.

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As always, please feel free to contact me with your questions, suggestions and concerns. My office is room 281 in the State Office Building, 100 Rev. Dr. Martin Luther King Jr. Blvd. Saint Paul, Minnesota 55155. I can be reached by phone at 651-296-1188 and by email at rep.leon.lillie@house.mn. You can also monitor activities at the House, track bills, watch live video and sign up for my email update list by going to <http://house.mn>.



Leon Lillie
State Representative

E-File Your Taxes for Free

For those of you with an adjusted gross income of under \$58,000, be sure to visit www.irs.gov/efile to prepare your federal tax return and file it at no cost.

To begin, taxpayers may visit the IRS website, www.IRS.gov, and click on the “Free File” icon. There you will find a list of Free File Alliance member companies and may either choose the one that fits your needs or utilize the “help me find a company” tool. After selecting a company, you will be transferred to the company’s website to prepare, complete and electronically file their federal income tax returns. Three of the 19 participating software companies also offer services in Spanish.

Apply for the Minnesota Working Family Tax Credit (and Federal Earned Income Tax Credit)

You are eligible, if in 2010, you had earned income and meet one of the following criteria:

- You have one child and your job income is less than \$35,535 (single filers) or \$40,545 (married filing joint).
- You have two or more children and your job income is less than \$40,363 (single filers) or \$45,373 (married filing joint).
- You have no children, are between the ages of 25 and 64 and your job income is less than \$13,460 (single filers) or \$18,470 (married filing joint).

You can apply for these credits by:

- Filling out Federal Forms 1040A or 1040, and Schedule EIC, which is included in your federal income tax booklet.
- If you qualify for the Federal Earned Income Credit, you automatically qualify for the Minnesota Working Family Credit. Simply complete Minnesota Form M-1 and Schedule M-1 WFC.

**For more information, call the Department of Revenue Tax Help
Line: 651-296-3781**

STAY INFORMED

In addition to these regular email updates, there are a number of ways for Minnesotans to follow major issues and get a behind-the-scenes look at the legislative process.

The Senate and House produce award-winning weekly and daily news magazines during the legislative session online and in print.

To subscribe or for general information about the House (651) 296-2146, Senate (651) 296-0504, and legislative process, visit the Legislature’s website at www.leg.state.mn.us and click on “general information”.

You can also track bills I’m working on at my House website: www.house.mn/55A.

